IN THE SPECIFICATION

Please replace the Title on page 1 with the following rewritten title:

"DIGITAL IMAGE COMPRESSION AND EXPANSION CIRCUIT"

Please replace the paragraph at page 1, line 21 through Page 2, line 8, with the following rewritten paragraph:

As shown in Fig. 14, the image signal picked up with the image pickup device 105 is converted to a digital image signal (CCD data) and thereafter temporarily stored in a raw image data buffer 108a of a built-in memory ~~180~~ 108 (step 100). Then, a real-time processing unit (hereinafter abbreviated as RPU) 120 formed by hardware provided in the aforementioned image processing part 106 reads the raw image data stored in the raw image data buffer 108a, executes the aforementioned image processing such as pixel interpolation, color space conversion and edge enhancement in real time, and outputs and stores the processed data to and in a processed data buffer 108b (step 101). Then, a CPU (central processing unit) 121 reads the processed data from the processed data buffer 108b at an instructed timing, compresses the processed data with a temporary storage buffer 108c by software processing in the JPEG (joint photographic experts group) system or the like, and stores the compressed data in a storage medium 122 such as the aforementioned memory card 110.

Please replace the paragraph at page 8, lines 17-24, with the following rewritten paragraph:

Fig. 1 is a schematic block diagram showing the overall structure of a digital still camera (image pickup device) 1 according to the present invention. In this digital still camera 1, a CCD (charge-coupled device) 12 picks up an image signal of an object through

an optical mechanism 11 formed by an optical system and a diaphragm mechanism having an

AF (auto-focus) function. At this time, a stroboscope ~~20~~ 29 may be employed at need for

applying light to the object. The image signal of the object as picked up is captured in an

analog signal processing circuit 13 and A/D converted to a digital image signal.